COTTON INDUSTRY

1959 No. 1324

The Cotton Doubling Reorganisation Scheme (Confirmation) Order, 1959

Laid before Parliament in draft
Made - - - - 29*th July*, 1959
Coming into Operation 30*th July*, 1959

Whereas by section 1 of the Cotton Industry Act, 1959(a) (hereinafter referred to as "the Act") the Cotton Board, with a view to promoting the efficiency of the cotton industry by the elimination of excess capacity, may prepare for any section of the industry a scheme (hereinafter referred to as a "reorganisation scheme") providing for the payment by the Cotton Board of compensation for the elimination of excess capacity in that section:

And Whereas, in consultation with such bodies as appeared to them to represent (so far as practicable) the interests of those carrying on business and of those employed in the doubling section of the industry, the Cotton Board have prepared for that section a reorganisation scheme and have submitted it to the Board of Trade pursuant to subsection (2) of section 1 of the Act:

And Whereas the Board of Trade are satisfied—

(*a*) that the said reorganisation scheme makes adequate provision (in point of time as well as in point of quantity) to the end of eliminating excess capacity in the doubling section of the industry;

(*b*) that arrangements have been made within that section for the payment of compensation in respect of loss of employment due to the elimination of the excess capacity; and

(*c*) that bodies representing the interests of a majority of the persons employed in that section have agreed to those arrangements so far as they relate to persons whose interests are represented by those bodies:

And Whereas a draft of this Order has, pursuant to subsection (9) of section 1 of the Act, been laid before Parliament and approved by resolution of each House.

Now, therefore, the Board of Trade, in pursuance of the powers conferred upon them by section 1 of the Act and all other powers in that behalf enabling them, hereby order as follows:—

Confirmation of the Reorganisation Scheme for the Doubling Section of the Cotton Industry

1. The said reorganisation scheme prepared by the Cotton Board for the doubling section of the cotton industry, being the scheme set out in the Schedule to this Order, is hereby confirmed.

Recovery of Charges imposed by the Scheme

2. Any sum due from any person in respect of any charge imposed under the said reorganisation scheme may be recovered by the Cotton Board as a simple contract debt in any court of competent jurisdiction.

(a) 7 & 8 Eliz. 2. c. 48.

Returns and Information and production of Books

3.—(1) The Cotton Board may for the purposes of the said reorganisation scheme require by notice in writing any person carrying on business in the doubling section of the industry to furnish returns or other information relating to activities comprised in that section of the industry or to produce for examination books or other documents or records relating to such activities, and any person who is so required shall furnish in such form and manner and within such time such returns or information relating to such activities, as may be specified in the notice or, as the case may be, produce at such time such books or other documents or records relating to such activities as may be so specified.

(2) When a requirement is imposed by the Cotton Board under the provisions of this Order to furnish returns or other information relating to an individual business or to produce for examination books or other documents or records, the Cotton Board shall ensure that the returns or information shall be furnished to, or the examination done by, officers of the Cotton Board specially authorised in that behalf by the Cotton Board.

Penalties

4.—(1) If any person required to furnish returns or information or to produce for examination books or other documents or records under this Order fails to furnish or produce them in accordance with the requirement he shall, unless he proves that he had reasonable excuse for the failure, be liable on summary conviction to a fine not exceeding fifty pounds.

(2) If the failure in respect of which a person is convicted under the last foregoing paragraph is continued after the conviction he shall be guilty of a further and continuing offence and liable on summary conviction to a fine not exceeding five pounds in respect of each day during which the failure continues.

(3) If any person in purporting to fulfil the requirement to furnish returns or information knowingly or recklessly makes any statement which is false in a material particular he shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding fifty pounds, or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine not exceeding one hundred pounds or, in either case, to both such imprisonment and such fine.

Interpretation

5. In this Order—

(*a*) the "Cotton Board" and "the industry" have the meanings respectively assigned to those expressions in subsection (11) of section 1 of the Act;

(*b*) "the doubling section" and "doubling" have the meanings respectively assigned to those expressions in Article 2 of the reorganisation scheme set out in the Schedule to this Order.

Citation and Commencement

6. This Order may be cited as the Cotton Doubling Reorganisation Scheme (Confirmation) Order, 1959, and shall come into operation on the 30th day of July, 1959.

Dated this 29th day of July, 1959.

David Eccles,
President of the Board of Trade.

THE SCHEDULE

THE COTTON INDUSTRY ACT, 1959

COTTON DOUBLING REORGANISATION SCHEME

A Reorganisation Scheme prepared by the Cotton Board providing for payment of compensation for the elimination of excess capacity in the Doubling Section of the Cotton Industry.

PART I

PRELIMINARY

Citation and Commencement

1. This Scheme may be cited as the Cotton Doubling Reorganisation Scheme and (except for Parts II and III, which come into operation as hereinafter mentioned) shall come into operation on the date on which the order of the Board of Trade confirming the Scheme comes into operation.

Interpretation

2.—(1) In this Scheme (except where the context otherwise indicates) the following expressions have the meanings hereby respectively assigned to them—

" the Act " means the Cotton Industry Act, 1959;

" the Board " means the Cotton Board as defined in subsection (11) of Section 1 of the Act;

" the Industry " means the activities included in that term in the development council orders relating to the Cotton Board, as those orders had effect at the commencement of the Act(a);

" registered or subject to registration with the Board " means registered or subject to registration with the Board under the Cotton Industry Development Council Order, 1948(b);

" the doubling section " means the activity of doubling;

" the spinning section " and " the weaving section " mean the activity of spinning and the activity of weaving respectively, as those activities are defined in the First Schedule to the Cotton Industry Development Council Order, 1948;

" doubling " means the subjection of yarn produced by spinning to the process of twisting together two or more threads or of inserting additional twist; and the further subjection of yarn produced by spinning and so processed to one or both of these processes; and the subjection of yarn produced by any of the foregoing processes to any of the processes commonly known as gassing, reeling, warping, beaming or winding, except in so far as the treatment of yarn by any of the last named processes is performed on machinery which forms a subsidiary part of, and is situated in the same mill as,—

(*a*) plant operated by workers subject to Wages Regulation Orders made under the Wages Councils Act, 1945(c), pursuant to proposals by the Rope, Twine and Net Wages Council, the Flax and Hemp Wages Council or the Jute Wages Council, or

(*b*) plant used for the production of lace, lace net, lace curtains, embroidery, hosiery or narrow fabrics,

and such treatment is ancillary to the main operations conducted on such plant:

(a) S.I. 1948/629 (Rev. V, p. 87: 1948 I, p. 1623), 1951/2173, 1953/421, 1957/508 (1951 I, p. 1125; 1953 I, p. 862; 1957 I, p. 1174). (b) S.I. 1948/629 (Rev. V, p. 87: 1948 I, p. 1623).
(c) 8 & 9 Geo. 6. c. 17.

Provided that doubling shall not include the subjection of yarn to any of the said processes—

(i) by a person carrying on the business of manufacturing wool textiles for use by him in the course of that business; or

(ii) for the purpose only of producing wicks for candles; or

(iii) by any person to the extent that it is thereby converted into a product which, after subsequent processing, is for sale in the form of finished sewing thread by that person or, in the case of a body corporate, by any other body corporate in the same group; and for this purpose "group" means a body corporate and all other bodies corporate which are subsidiaries thereof within the meaning of section 154 of the Companies Act, 1948(a);

"staple rayon fibre" means staple rayon fibre not exceeding three inches in length and includes waste rayon fibre; and any reference to rayon fibre, thread or yarn shall include a reference to any other manufactured textile fibre, that is to say, fibre which is not the natural growth of a plant or the hair or fleece of an animal or to thread or yarn manufactured otherwise than from such natural fibre, as the case may be, but does not include a reference to asbestos or silk fibre, thread or yarn;

"spindle" means a twiner spindle or a ring spindle used in doubling;

"twiner spindles" means spindles designed to be used for doubling yarn on the intermittent doubling machine commonly known in the industry as the twiner;

"ring spindles" means spindles designed or adapted for use in doubling yarn on a continuous doubling machine with the aid of the mechanism commonly known in the industry as a traveller and ring, or designed or adapted to be so used with the aid of the mechanism commonly known in the industry as a flyer; and the diameter of a ring spindle for use with a ring means the diameter of the ring, and the diameter of a ring spindle for use with a flyer means the distance between the legs of the flyer.

(2) For the purposes of this Scheme a mill shall be deemed to be closed down at any date if at that date all spindles in place in the mill were stopped and before that date notice to terminate employment had been given to all workpeople with the exception of care and maintenance staff.

Object of Scheme

3.—(1) The object of this Scheme is to secure the elimination of excess capacity in the doubling section of the industry by providing for the payment of compensation related to the number of spindles scrapped during the period beginning on 24th April, 1959, and ending on 31st March, 1960, or such later date as the Board may in any individual case for special reasons allow (hereinafter referred to as "the scrapping period").

(2) A spindle shall only be treated as scrapped for the purposes of this Scheme if it and the machine of which it forms part is destroyed or otherwise rendered unfit for further use as such.

Participation

4.—(1) Any person who, at any time in the period beginning on 24th April, 1956, and ending on 30th June, 1959, has been—

(*a*) carrying on business in the doubling section of the industry, and

(*b*) registered or subject to registration with the Board as carrying on business in the doubling section of the industry (as that section is defined in the Cotton Industry Development Council Order, 1948),

is eligible to participate in this Scheme in relation to any spindles scrapped or to be scrapped during the scrapping period;

(a) 11 & 12 Geo. 6. c. 38.

Provided that, a body corporate may be so eligible to participate, notwithstanding that it has not been carrying on business and registered or subject to registration as aforesaid, if it is a subsidiary (within the meaning of section 154 of the Companies Act, 1948) of another body corporate which has.

(2) Any person so eligible may participate in the Scheme in relation to any such spindles during the period beginning on the date on which the Scheme comes into operation and ending on 30th September, 1959 (hereinafter referred to as " the participation period ") by making and delivering to the Board before the expiration of that period an application for payment of compensation under Part II in relation to those spindles, whereupon he becomes a participant in this Scheme.

(3) Every such application shall be in writing in such form as the Board may prescribe and shall contain such information as is provided for therein, together with—

(*a*) an undertaking by the participant to scrap or cause to be scrapped during the scrapping period every spindle (including the machine of which it forms part) to which the application relates, and

(*b*) an acknowledgment by the participant that in the event of his failure to scrap or cause to be scrapped any such spindle and machine within the scrapping period and such further period (not being less than seven days) from the end of the scrapping period as may be specified in a notice sent to him by the Board, the whole of the participant's property or interest in that spindle and machine shall forthwith be transferred to and vest in the Board.

(4) The Board may prescribe the form of any application for the purposes of this Article by publishing, issuing or making available a form or forms of application for use as such in relation to this Scheme by any person or class of persons wishing to participate therein.

The coming into operation of Parts II and III of the Scheme

5.—(1) Parts II and III of this Scheme shall not come into operation unless, during the participation period, applications for compensation under the Scheme have been received by the Board in relation to not less than 400,000 spindles;

Provided that, in determining whether applications in relation to that minimum number of spindles have been received by them, the Board shall exclude from consideration any spindles which the participant wishes to sell with the approval of the Board under Article 12 and any other spindles included in any application as respects which it appears to them to be likely that they will exercise their power under Article 11 not to pay compensation in relation thereto.

(2) Subject to the proviso to the preceding paragraph, as soon as applications for compensation under the Scheme have been received by the Board in relation to 400,000 spindles the Board shall publish notice to that effect in such manner as they think best adapted for informing persons affected or likely to be affected by the Scheme ; and thereupon Parts II and III of this Scheme shall come into operation. As soon as practicable thereafter the Board shall also send to each participant in the Scheme a written notice to the same effect and expressly stating that Parts II and III of the Scheme have come into operation.

(3) The coming into operation of Parts II and III of this Scheme before the expiration of the participation period shall not prejudice the right of any person to participate in the Scheme during the remainder of the participation period.

(4) If at the expiration of the participation period applications for compensation under the Scheme have not been received by the Board in relation to the requisite minimum number of spindles they shall publish notice to that effect in like manner as aforesaid. They shall also send to each participant in the Scheme a

written notice to the same effect and stating that Parts II and III of the Scheme will not come into operation; and thereupon he shall cease to participate in the Scheme.

PART II

COMPENSATION

Rates of Compensation

6.—(1) Subject to the provisions of this Part of this Scheme, compensation shall be paid by the Board in relation to spindles scrapped during the scrapping period as respects which an application for compensation under the Scheme has been made by a participant in the Scheme during the participation period.

(2) There shall be three rates of compensation payable under this Scheme, the standard rate, the premium rate and the discount rate, each of which shall be increased by an amount equal to 5 per cent. thereof in any case where the application concerned was received by the Board on or before 31st August, 1959.

7.—(1) **The Standard Rate** of compensation in relation to a spindle shall be—

(*a*) in the case of a twiner spindle, 10/-;

(*b*) in the case of a ring spindle—

(i) under 2 inches in diameter, 12/6;

(ii) 2 inches or more in diameter, 14/-.

(2) Compensation shall be paid at the standard rate in relation to spindles which were at 24th April, 1959 in place in a mill not closed down at that date.

8.—(1) **The Premium Rate** of compensation in relation to a spindle shall be—

(*a*) in the case of a twiner spindle, 12/6;

(*b*) in the case of a ring spindle—

(i) under 2 inches in diameter, 15/7½;

(ii) 2 inches or more in diameter, 17/6.

(2) Compensation shall be paid at the premium rate in relation to spindles which were in place at 24th April, 1959 in a mill belonging to the participant at that date, which was not then closed down and are included in an application (being an application relating to all such spindles which have been scrapped after 23rd April, 1959 and all such spindles which are in place in that mill at the date of the application) made by a participant who, after 23rd April, 1959, ceases to carry on business in that part of the industry which comprises the spinning, doubling and weaving sections (as defined in the Cotton Industry Development Council Order, 1948).

(3) Compensation at the premium rate shall be paid in relation to spindles included in such an application as aforesaid notwithstanding that, since the date of the application, other spindles which were also included in that application have (instead of being scrapped) been sold with the approval of the Board under Article 12 hereof and excluded from payment of compensation under this Scheme.

(4) Notwithstanding the foregoing provisions of this Article, compensation shall not be paid at the premium rate to a participant, being after 30th June, 1959, one of a group of bodies corporate which includes other bodies corporate carrying on business in that part of the industry which comprises the spinning, doubling and weaving sections (as defined in the Cotton Industry Development Council Order, 1948), unless all those other bodies corporate in that group (as well as the participant) cease so to carry on business.

(5) In this Article, the expression "group" means a body corporate and all other bodies corporate which are subsidiaries thereof within the meaning of section 154 of the Companies Act, 1948.

9.—(1) **The Discount Rate** of compensation in relation to a spindle shall be—

(*a*) in the case of a twiner spindle, 7/6;

(*b*) in the case of a ring spindle—

(i) under 2 inches in diameter, 9/4½;

(ii) 2 inches or more in diameter, 10/6.

(2) Compensation shall be paid at the discount rate in relation to spindles in place at 24th April, 1959 in a mill then closed down.

Payment of Compensation

10.—(1) The Board shall not pay any compensation under this Scheme to a person in respect of any spindle unless that person has furnished to them any such information additional to that contained in his application as they may require and they are satisfied that the requisite scrapping has been completed.

(2) The Board shall not pay compensation under this Scheme at the premium rate unless they are satisfied, on such evidence as they may require, that the participant and, in the case of a body corporate, every other body corporate in the same group has ceased to carry on business in that part of the industry which comprises the spinning, doubling and weaving sections (as defined in the Cotton Industry Development Council Order, 1948).

(3) The Board shall not pay any compensation under this Scheme to any participant in respect of the elimination of excess capacity unless they are satisfied that the participant has done everything required to be done by him under the arrangements referred to in section 1 (2) (*b*) of the Act for securing that his employees are eligible to participate in, and to receive any benefits available to them under, those arrangements in respect of loss of employment with reference to the elimination of that excess capacity.

11. Notwithstanding the foregoing provisions of this Part of the Scheme, the Board may refuse to pay compensation in relation to any spindle included in an application for compensation if they are satisfied that it was not practicable at 24th April, 1959, for that spindle to be put into operation without undue difficulty or expense; and in the event of such a refusal to pay compensation the participant concerned shall thereupon be released from his undertaking to scrap that spindle.

12. Notwithstanding the foregoing provisions of this Part of the Scheme, where a participant wishes to sell any spindles which he has included with other spindles in an application for compensation at the premium rate and the Board are satisfied that:—

(*a*) it would be in the interests of the doubling section of the industry not to scrap such spindles, and

(*b*) the spindles are not being disposed of for use outside Great Britain,

they may approve the sale of those spindles, and thereupon the participant shall be released from his undertaking to scrap those spindles and compensation shall not be payable under the Scheme in relation thereto.

13.—(1) Where after the scrapping of spindles under this Scheme the participant within five years from the commencement of the Act installs other spindles with the aid of a re-equipment grant from the Board of Trade under section 2 of the Act an amount shall be repaid by the participant to the Board equal to 75 per cent. of any compensation paid by the Board under this Scheme in relation to a number of scrapped spindles of a capacity equivalent to that of spindles so installed, reduced by a number of spindles of a capacity equivalent to other spindles in use by him after 23rd April, 1959, and subsequently scrapped and in respect of which no compensation has been paid or applied for under this Scheme.

For this purpose the equivalent capacity of a spindle shall be based on the spindle unit relationship of the spindles concerned, which relationship shall be that set out in the following table:—

Type of Spindle		Unit relationship
Ring Spindle (whether for use with ring or flyer) of a diameter in inches:—		
more than	but not more than	
—	1½	1·77
1½	2	1·96
2	2½	2·25
2½	3	2·90
3	3½	3·56
3½	4	3·89
4	4½	4·22
4½	5	4·61
5	5½	5·04
5½	6	5·54
6	6½	6·11
6½	7	6·48
7	7½	7·05
7½	8	7·43
8	8½	7·80
8½	9	8·18
9	9½	8·56
9½	10	8·94
Twiner Spindle		1·29

Accordingly, the compensation in relation to the scrapped spindles shall be deemed to have been paid by the Board subject to an express condition that there should be repayment of 75 per cent. thereof in the event of such replacement as aforesaid.

(2) Any amount repayable to the Board in pursuance of this Article shall be recoverable by them in any court of competent jurisdiction as a simple contract debt due to them from the participant.

(3) The provisions of paragraph (1) of this Article shall apply (mutatis mutandis) in any case in which the spindles to which the compensation relates are replaced before any compensation has been paid by the Board in relation thereto; and the amount of any compensation which would otherwise be payable under the foregoing provisions of this Scheme in relation to those spindles shall be reduced accordingly.

PART III

LEVIES AND ALLOCATION OF MONEYS RECEIVED

Levies

14. The Board shall raise by means of an annual charge imposed on all persons for the time being carrying on business in the doubling section of the industry and registered with the Board the amounts required by the Board to defray—

(*a*) compensation payments provided for under Part II of this Scheme, so far as not defrayed out of sums paid by the Board of Trade under subsection (3) of section 1 of the Act, and

(*b*) that proportion of the total expenses incurred by the Board in connection with the preparation and administration of all schemes under the Act as in the opinion of the Board is attributable to this Scheme.

15. The Board shall raise by means of a further annual charge imposed on all persons carrying on business in the doubling section of the industry and registered as aforesaid the amounts required under arrangements made within that section for compensating persons employed in that section for loss of employment with reference to the elimination of excess capacity under this Scheme or the re-equipment of businesses in that section, being arrangements made in contemplation of or in connection with the passing or operation of the Act.

16.—(1) Each of the charges imposed under this Part of the Scheme shall be payable at such rate or rates per spindle unit as the Board may specify as being necessary to produce in the aggregate the amount or amounts required to be raised thereby.

(2) Each person upon whom a charge has been imposed under this Scheme shall pay to the Board his proper share of that charge in such manner and on such date or dates as they may direct.

(3) The periods during which such charges shall be payable shall be specified by the Board after consultation with representatives of persons carrying on business in the doubling section and shall not exceed ten years in either case.

(4) As soon as may be after the date on which this Part of the Scheme comes into operation the Board shall by notice, given in such manner as they think best adapted for informing the persons affected, specify separately in respect of each of the charges—

(*a*) the date on which the first payment of the charge is payable;

(*b*) the rate or rates per spindle unit at which it is payable.

17.—(1) There shall be established by the Board an account to be called the "Doubling Reorganisation (Compensation) Account" into which shall be paid—

(*a*) all moneys received by them by means of the charge imposed under Article 14 of this Scheme;

(*b*) all moneys paid to them by the Board of Trade under subsection (3) of section 1 of the Act;

(*c*) all moneys repaid to them in respect of compensation recovered under the provisions of Article 13;

(*d*) all moneys otherwise received by them in connection with this Scheme.

(2) Out of the said account there shall be paid by the Board—

(*a*) all amounts payable by them in respect of compensation under this Scheme, and

(*b*) all costs and expenses incurred by them in connection with the preparation and administration of this Scheme.

18. There shall be established by the Board an account to be called the "Doubling Section (Special) Account", into which shall be paid all moneys received by the Board by means of the charge imposed under Article 15 of this Scheme, which moneys shall be paid to such persons as may be responsible for the distribution of the amounts referred to in that Article.

Disposal of surplus moneys

19. Any sums raised by means of the charge imposed under Article 14 of this Scheme, which are not required for the purpose for which they were raised, shall be disposed of by the Board for such purpose or purposes (including the purpose of advancing research in the industry) as may be determined by the Board after consultation with representatives of persons carrying on business in the doubling section of the industry.

The foregoing Reorganisation Scheme has been prepared by the Cotton Board under powers conferred by the Cotton Industry Act, 1959, and is now submitted to the Board of Trade for confirmation in pursuance of subsection (2) of section 1 of that Act.

Dated this 10th day of July, 1959.

(Signed) ROCHDALE.
F. ROSTRON.
J. C. ROBINSON.
E. HALL.

(The Committee of the Cotton Board established to discharge the functions of the Board under the Cotton Industry Act, 1959.)

EXPLANATORY NOTE

(This Note is not part of the Order, but is intended to indicate its general purport.)

By this Order the Board of Trade confirm a reorganisation scheme prepared by the Cotton Board to secure the elimination of excess capacity in the doubling section of the cotton industry. The scheme is set out in the Schedule to this Order.

The Order also provides for the recovery by the Cotton Board of certain charges imposed under the scheme, for returns and information to be furnished to, and books and other documents to be produced to, the Cotton Board by persons carrying on business in the doubling section, and imposes penalties for failure so to do or for giving false information.

1959 No. 1325

The Cotton Spinning Reorganisation Scheme (Confirmation) Order, 1959

Laid before Parliament in draft

Made - - - - 29*th July*, 1959

Coming into Operation 30*th July*, 1959

Whereas by section 1 of the Cotton Industry Act, 1959(a) (hereinafter referred to as "the Act") the Cotton Board, with a view to promoting the efficiency of the cotton industry by the elimination of excess capacity, may prepare for any section of the industry a scheme (hereinafter referred to as a "reorganisation scheme") providing for the payment by the Cotton Board of compensation for the elimination of excess capacity in that section:

And Whereas, in consultation with such bodies as appeared to them to represent (so far as practicable) the interests of those carrying on business and of those employed in the spinning section of the industry, the Cotton

(a) 7 & 8 Eliz. 2. c. 48.